

Monitoring



Monitoring Requirements

- Frequency
 - Three per year per provider
 - Two unannounced
 - One meal observation
 - Attempted visits do not count
 - Varied timing
 - Time of day
 - Time of week/month
 - ≤ 6 months between visits



Monitoring Requirements

- Meal observations
 - ≥ 1 per year unannounced
 - Varied meal observations
 - Elements:
 - Menu
 - Substitutions documented
 - Components
 - Portions
 - Time



Monitoring Requirements

- Five day reconciliation
 - Done during every monitoring visit
 - Five consecutive days (except weekends)
 - For current or prior claiming period
 - Compare:
 - Enrollment records
 - Sign-in/sign-out sheets
 - Attendance
 - Meal counts



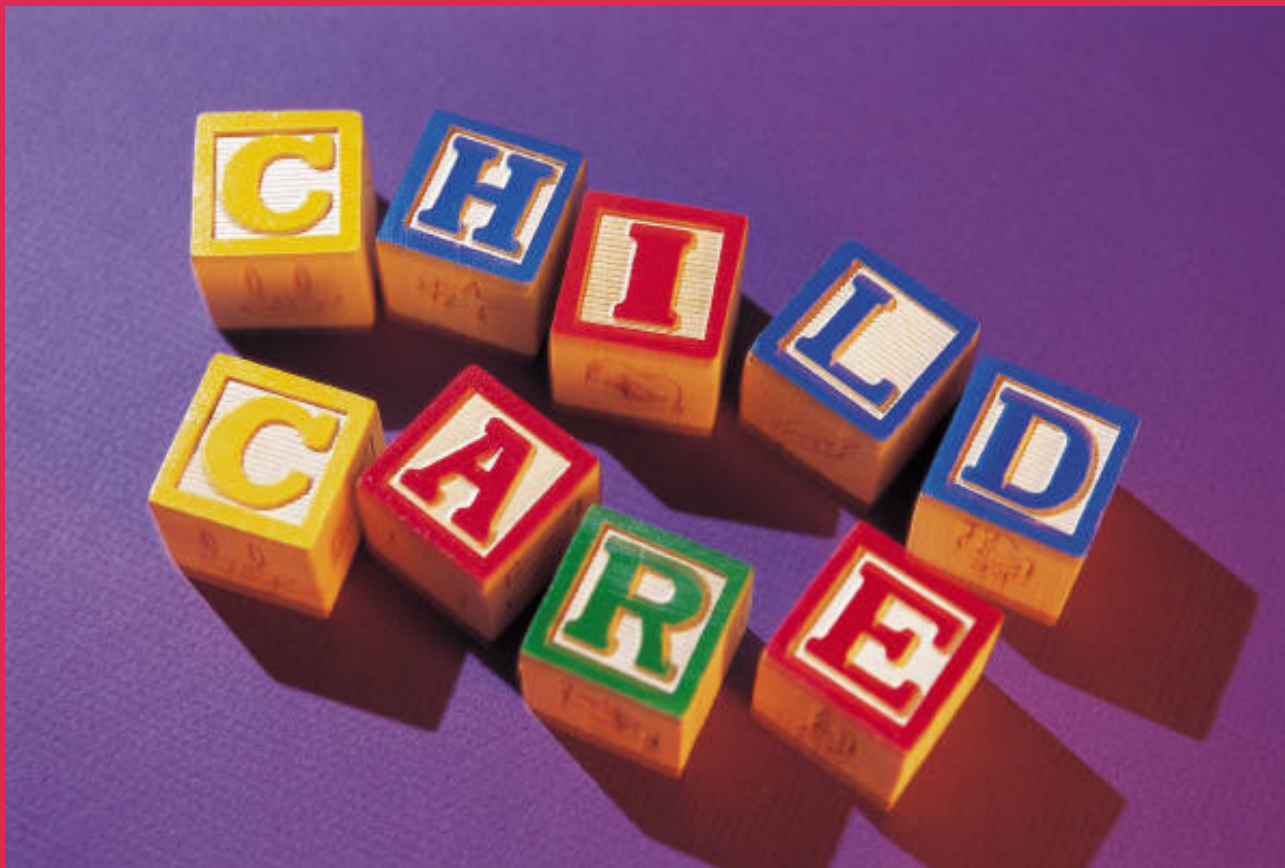
Monitoring Requirements

- Household contacts
 - Not routinely required
 - Done if issues or inconsistencies are noted
 - Document:
 - Date & time
 - Name of person calling
 - Telephone number
 - Parent/guardian's name
 - Child's name
 - Provider's name
 - Reason for call & outcome



CACFP Financial Management







Running a Good (CACFP) Business

Financial Management

- Two components:
 - Demonstrating overall **V**iability, **C**apability, and **A**ccountability (**VCA**)
 - Showing how you spend CACFP reimbursements



The ABC's of the CACFP

VCA

- Financial Viability:
 - Adequate financial resources to:
 - Operate the CACFP on a daily basis
 - Pay employees and vendors/suppliers
 - *Even during temporary disruptions in CACFP payments*
 - Repay overclaims

VCA

- Financial Viability:
 - Demonstrate viability with:
 - Audit reports
 - Financial statements
 - Meeting your financial obligations

VCA

- Administrative Capability:
 - “Appropriate and effective management practices” to ensure compliance with CACFP regulations

VCA

- Administrative Capability:
 - Demonstrate capability with:
 - Policies and procedures
 - Having adequate staff
 - Training & training documentation
 - Organized files and complete records
 - Meeting CACFP requirements

VCA

- Accountability:
 - “Internal controls and other management systems” to ensure fiscal integrity and regulatory compliance

VCA

- Accountability:
 - Demonstrate accountability with:
 - Clear record keeping systems
 - Providing adequate oversight and monitoring
 - Cross-training employees
 - Having outside accountants conduct audits
 - Documentation for procurement



CACFP Financial Management

Spending CACFP Reimbursements

REMEMBER:

- Costs do not determine reimbursements
- Spend according to your budget
- Don't assume or guess



Good Financial Management

- Spend money wisely and in accordance with regulations & approved budget
- Keep all financial documents
- Track CACFP reimbursements
- Track CACFP-related expenses
- Compare reimbursements to expenses
- Compare expenses to budget

Financial Management

- Guiding principles:
 - Is the item or service necessary for operating the CACFP?
 - Is the amount reasonable?
 - Is the item or service an allowable CACFP expense?

Financial Management

- Administrative labor
 - Time spent on paperwork, training, monitoring, etc.
- Administrative supplies
 - Paper for CACFP records
 - Ink to print CACFP records
 - Computer hardware or software
- Administrative services
 - Accountant or auditor
 - Document storage

Allowable Costs

- For all costs:
 - Is it CACFP-related?
 - Is it primarily for the benefit of participants?
 - Did I seek prior approval (*if needed*)?
 - Did I follow proper procurement procedures?
 - Did I allocate the cost (*if needed*)?
 - Do I have proper documentation?

Financial Documentation

- Itemized receipts or invoices
 - Delivery slips
 - Donation records
- Allocations
- Payroll records
 - Time distribution reports
- Mileage logs
- Procurement documents



Doing the Math

Allocations

- Allocations are needed if the cost:
 - Benefits allowable and unallowable activities
 - Benefits both CACFP and other program areas
 - Benefits CACFP operations in multiple states
 - Applies to both administration and operations
- Must determine whether a cost is direct or indirect (overhead)

Allocations

- **Indirect cost:** Cost of items or services that have a common purpose to support overall operations and cannot be readily assigned to a specific program or funding source
- **Direct cost:** Cost of items or services that can be identified with a specific program or funding source

Allocations

- **Indirect cost:** allocation or rate must be based on a plan approved by the State Agency and is subject to FNS approval
- **Direct cost:**
 - Allocation must be based on use or benefit
 - Allocation must be pre-approved by the State Agency

Labor Allocations

- Time distribution reports are required if
 - An allocation is required and
 - CACFP reimbursements will be used to pay for all or part of the employee's allowable wages or benefits.
- Only the share of the wages and benefits associated with CACFP-related labor may be paid with CACFP funds.

Labor Allocations

- Time distribution reports must be:
 - Done by the employee
 - Complete
 - Account for all activity (not just CACFP labor)
 - Filled out after the fact to reflect actual time spent on various duties
 - Prepared at least monthly
 - Signed by the employee
 - Signed by the employee's supervisor



Getting the Most for Your (CACFP) Money

Procurement

Procurement standards and regulations ensure **food, supplies, equipment, and other goods and services** are obtained *efficiently, economically, and in accordance with the law.*

Procurement

- Reasons to do procurement:
 - Promote **free and open competition** for your business
 - Get the **best possible services** that meet your needs at the **best price**
 - Avoid problems with conflict of interest ... and worse (accusations of fraud, bribery, etc.)

Procurement

- If using Federal and/or District funds for a contract or a single item/service costing \$10,000-\$100,000+
 - Follow formal procurement procedures
- For everything else: comparison shopping

Procurement

- Formal Procurement Procedures:
 - $> \$10,000$ but $\leq \$100,000$: Written specifications and written quotes
 - $> \$100,000$: Invitation for Bids or Request for Proposals and written bids/proposals
- Written contracts may include the option for up to three renewals

Procurement

- Informal Procurement Procedures:
 - Obtain verbal quotes for services
 - Comparison shop
- Document quotes and price comparisons as needed
 - No less than annually

Good Financial Management

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CACFP Annual Budget

Budget

- Financial planning tool
- Identifies training/assistance needs



Budget

#1	Homes Times Rate Administrative Reimbursement Projection for Family Day Care Home Sponsors			
	Ranges for Estimated Number of Homes - Enter projected number of homes for this fiscal year in column C in the row corresponding to the appropriate range. Write the estimate in ONLY ONE row.	Estimated Number of Homes	Monthly Rate of Reimbursement Per Home	Projected Annual Reimbursement
	1 - 50 homes		\$ 109.00	\$ -
	51 - 200 homes		\$ 83.00	\$ -
	201 - 1000 homes		\$ 65.00	\$ -
	1001+ homes		\$ 57.00	\$ -
#2	Proposed Family Day Care Home Administrative Budget			
	Line Item (Reference Pages in FNS Financial Management Instruction)	Total Annual CACFP-Funded Amount	Total Annual Non-CACFP Funded Amount	Line Item Total
	<i>Administrative Labor – Salaries (42-58)</i>			\$ -
	<i>Administrative Labor – Benefits and Other Compensation (42-58)</i>			
	Employer Payroll Taxes (SUTA, FUTA, FICA, etc.)			\$ -
	Health Insurance			\$ -
	Life Insurance			\$ -
	Retirement			\$ -
	*Incentive Payments and Awards			\$ -
	*Other (specify):			\$ -
	<i>Administrative Labor – Benefits and Other Compensation Subtotal</i>	\$ -	\$ -	\$ -
	<i>Rental and Lease Costs (68-75)</i>			
	Office Space (Main)			\$ -
	Office Space (Sub-Offices)			\$ -
	Business Use of a Home			\$ -
	Equipment			\$ -
	Computer			\$ -
	*Other (specify):			\$ -
	<i>Rental and Lease Costs Subtotal</i>	\$ -	\$ -	\$ -

Renewal Process

- Due by Friday, August 29:
 - Budget spreadsheet file
 - Carryover tab
 - Narrative
 - Justifications for PWA / SPWA items
 - Supporting documents
 - Allocation plans
 - Request for Advance Funds form

Renewal Process

- Due by Friday, August 29:
 - Annual Information Certification
 - A-133 Audit Report
 - Sponsor & provider spreadsheet file
 - Current licenses approval documents
 - Outside employment policy (*if changed*)
 - Employee compensation plan (*if changed*)
 - Management plan (*if changed*)

THE END



Please Finish Your Questions & Collect Your CEU